

BELLSOUTH TELECOMMUNICATIONS, INC

APPENDIX C
WORKPAPER 2C
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1 RECURRING UNIT COST DEVELOPMENT -
2 RATE ELEMENT SPECIFIC COSTS

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5	Service Name	LightGate® 3 Service
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7	Rate Element:	C.O. Channel Interface
8		per DS3 (1PQEC)
9		Plan C
10		73 to 96 Months
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14	TOTAL UNIT INVESTMENT	\$1,405.50
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17	INVESTMENT RELATED UNIT CAPITAL COSTS	
18	Depreciation Expense	\$170.73
19	Cost of Money	\$105.66
20	Income Tax Expense	\$46.08
21	Total (LN18+LN19+LN20)	\$322.47
22		
23	INVESTMENT RELATED UNIT OPERATING COSTS	
24	Maintenance Expense	\$25.19
25	Administrative Expense	\$50.87
26	Ad Valorem and Other Taxes	\$17.80
27	Total (LN24+LN25+LN26)	\$93.86
28		
29	TOTAL INVESTMENT RELATED UNIT COSTS (LN21+LN27)	\$416.33
30	NON-INVESTMENT RELATED UNIT COSTS	\$0.00
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32	TOTAL UNIT ANNUAL COSTS (LN29+LN31)	\$416.33
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34	TOTAL UNIT MONTHLY COSTS (LN33/12)	\$34.69
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41	RATIO OF UNIT MONTHLY COSTS	
42	TO INVESTMENT (LN35/LN14)	0.0247
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1 RECURRING UNIT COST DEVELOPMENT -
2 RATE ELEMENT SPECIFIC COSTS

Service Name: LightGate® 3 Service
Rate Element: C.O. per 28 DS1
Channel System (MQ3CO)
Month - to - Month

14	TOTAL UNIT INVESTMENT	\$13,562.88
17	INVESTMENT RELATED UNIT CAPITAL COSTS	
18	Depreciation Expense	\$1,611.62
19	Cost of Money	\$1,097.23
20	Income Tax Expense	\$484.40
21	Total (LN18 + LN19 + LN20)	\$3,193.25
23	INVESTMENT RELATED UNIT OPERATING COSTS	
24	Maintenance Expense	\$219.24
25	Administrative Expense	\$478.50
26	Ad Valorem and Other Taxes	\$168.73
27	Total (LN24 + LN25 + LN26)	\$866.46
29	TOTAL INVESTMENT RELATED UNIT COSTS (LN21 + LN27)	\$4,059.71
31	NON-INVESTMENT RELATED UNIT COSTS	\$0.00
33	TOTAL UNIT ANNUAL COSTS (LN29 + LN31)	\$4,059.71
35	TOTAL UNIT MONTHLY COSTS (LN33/12)	\$338.31
41	RATIO OF UNIT MONTHLY COSTS	
42	TO INVESTMENT (LN35/LN14)	0.0249

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1 RECURRING UNIT COST DEVELOPMENT -
2 RATE ELEMENT SPECIFIC COSTS

Service Name: LightGate® 3 Service
Rate Element: C.O. per 28 DS1
Channel System (MQ3CO)
Plan A
24 to 48 Months

14 TOTAL UNIT INVESTMENT \$13,562.88

17 INVESTMENT RELATED UNIT CAPITAL COSTS

18 Depreciation Expense \$1,572.56
19 Cost of Money \$1,098.11
20 Income Tax Expense \$484.79
21 Total (LN18+LN19+LN20) \$3,155.46

23 INVESTMENT RELATED UNIT OPERATING COSTS

24 Maintenance Expense \$219.24
25 Administrative Expense \$478.50
26 Ad Valorem and Other Taxes \$168.73
27 Total (LN24+LN25+LN26) \$866.46

29 TOTAL INVESTMENT RELATED UNIT COSTS (LN21+LN27) \$4,021.92

NON-INVESTMENT RELATED UNIT COSTS \$0.00

33 TOTAL UNIT ANNUAL COSTS (LN29+LN31) \$4,021.92

35 TOTAL UNIT MONTHLY COSTS (LN33/12) \$335.16

41 RATIO OF UNIT MONTHLY COSTS

42 TO INVESTMENT (LN35/LN14) 0.0247

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1 RECURRING UNIT COST DEVELOPMENT -
2 RATE ELEMENT SPECIFIC COSTS

Service Name: LightGate® 3 Service
Rate Element: C.O. per 28 DS1
Channel System (MQ3CO)
Plan B
49 to 72 Months

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14	TOTAL UNIT INVESTMENT	\$13,562.88
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17	INVESTMENT RELATED UNIT CAPITAL COSTS	
18	Depreciation Expense	\$1,564.75
19	Cost of Money	\$1,097.73
20	Income Tax Expense	\$484.62
21	Total (LN18 + LN19 + LN20)	\$3,147.10
22		
23	INVESTMENT RELATED UNIT OPERATING COSTS	
24	Maintenance Expense	\$219.24
25	Administrative Expense	\$478.50
26	Ad Valorem and Other Taxes	\$168.73
27	Total (LN24 + LN25 + LN26)	\$866.46
28		
29	TOTAL INVESTMENT RELATED UNIT COSTS (LN21 + LN27)	\$4,013.56
30		
31	NON-INVESTMENT RELATED UNIT COSTS	\$0.00
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33	TOTAL UNIT ANNUAL COSTS (LN29 + LN31)	\$4,013.56
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35	TOTAL UNIT MONTHLY COSTS (LN33/12)	\$334.46
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41	RATIO OF UNIT MONTHLY COSTS	
42	TO INVESTMENT (LN35/LN14)	0.0247
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1 RECURRING UNIT COST DEVELOPMENT -
2 RATE ELEMENT SPECIFIC COSTS

Service Name: LightGate® 3 Service
Rate Element: C.O. per 28 DS1
Channel System (MQ3CO)
Plan C
73 to 96 Months

14 TOTAL UNIT INVESTMENT \$13,562.88

17 INVESTMENT RELATED UNIT CAPITAL COSTS

18 Depreciation Expense \$1,561.41
19 Cost of Money \$1,097.46
20 Income Tax Expense \$484.49
21 Total (LN18+LN19+LN20) \$3,143.36

23 INVESTMENT RELATED UNIT OPERATING COSTS

24 Maintenance Expense \$219.24
25 Administrative Expense \$478.50
26 Ad Valorem and Other Taxes \$168.73
27 Total (LN24+LN25+LN26) \$866.46

29 TOTAL INVESTMENT RELATED UNIT COSTS (LN21+LN27) \$4,009.82

NON-INVESTMENT RELATED UNIT COSTS \$0.00

33 TOTAL UNIT ANNUAL COSTS (LN29+LN31) \$4,009.82

35 TOTAL UNIT MONTHLY COSTS (LN33/12) \$334.15

41 RATIO OF UNIT MONTHLY COSTS

42 TO INVESTMENT (LN35/LN14) 0.0246

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1 RECURRING UNIT COST DEVELOPMENT -
2 RATE ELEMENT SPECIFIC COSTS

Service Name: LightGate® 3 Basic Service

Rate Element: C.O. Channel Interface,
per DS1 (1PQE1)
MTM and All CSPP Periods

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14	TOTAL UNIT INVESTMENT	\$162.43
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17	INVESTMENT RELATED UNIT CAPITAL COSTS	
18	Depreciation Expense	\$18.55
19	Cost of Money	\$13.26
20	Income Tax Expense	\$5.86
21	Total (LN18+LN19+LN20)	\$37.67
22		
23	INVESTMENT RELATED UNIT OPERATING COSTS	
24	Maintenance Expense	\$2.69
25	Administrative Expense	\$5.72
26	Ad Valorem and Other Taxes	\$2.02
27	Total (LN24+LN25+LN26)	\$10.43
28		
29	TOTAL INVESTMENT RELATED UNIT COSTS (LN21+LN27) ..	\$48.10
30		
31	NON-INVESTMENT RELATED UNIT COSTS	\$0.00
32		
33	TOTAL UNIT ANNUAL COSTS (LN29+LN31).....	\$48.10
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35	TOTAL UNIT MONTHLY COSTS (LN33/12).....	\$4.01
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41	RATIO OF UNIT MONTHLY COSTS	
42	TO INVESTMENT (LN35/LN14).....	0.0247
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1 RECURRING UNIT COST DEVELOPMENT -
2 RATE ELEMENT SPECIFIC COSTS

Service Name: LightGate® 3 Service
Rate Element: Customer Channel Interface,
per DS3 (1 PQEP)
Month - to - Month

14	TOTAL UNIT INVESTMENT	\$1,558.31
17	INVESTMENT RELATED UNIT CAPITAL COSTS	
18	Depreciation Expense	\$662.61
19	Cost of Money	\$124.56
20	Income Tax Expense	\$52.86
21	Total (LN18 + LN19 + LN20)	\$640.03
23	INVESTMENT RELATED UNIT OPERATING COSTS	
24	Maintenance Expense	\$9.62
25	Administrative Expense	\$57.38
26	Ad Valorem and Other Taxes	\$19.63
27	Total (LN24 + LN25 + LN26)	\$86.63
29	TOTAL INVESTMENT RELATED UNIT COSTS (LN21 + LN27)	\$926.66
31	NON-INVESTMENT RELATED UNIT COSTS	\$0.00
33	TOTAL UNIT ANNUAL COSTS (LN29 + LN31)	\$926.66
35	TOTAL UNIT MONTHLY COSTS (LN33/12)	\$77.22
41	RATIO OF UNIT MONTHLY COSTS TO INVESTMENT (LN35/LN14)	0.0496

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1 RECURRING UNIT COST DEVELOPMENT -
2 RATE ELEMENT SPECIFIC COSTS

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Service Name: LightGate® 3 Service
Rate Element: Customer Channel Interface,
per DS3 (1PQEP)
Plan A
24 to 48 Months

14 TOTAL UNIT INVESTMENT	\$1,558.31
17 INVESTMENT RELATED UNIT CAPITAL COSTS	
18 Depreciation Expense	\$416.78
19 Cost of Money	\$130.98
20 Income Tax Expense	\$55.71
21 Total (LN18 + LN19 + LN20)	\$603.47
23 INVESTMENT RELATED UNIT OPERATING COSTS	
24 Maintenance Expense	\$9.62
25 Administrative Expense	\$57.38
26 Ad Valorem and Other Taxes	\$19.63
27 Total (LN24 + LN25 + LN26)	\$86.63
29 TOTAL INVESTMENT RELATED UNIT COSTS (LN21 + LN27)	\$690.10
NON-INVESTMENT RELATED UNIT COSTS	\$0.00
33 TOTAL UNIT ANNUAL COSTS (LN29 + LN31)	\$690.10
35 TOTAL UNIT MONTHLY COSTS (LN33/12)	\$57.51
41 RATIO OF UNIT MONTHLY COSTS	
42 TO INVESTMENT (LN35/LN14)	0.0369

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1 RECURRING UNIT COST DEVELOPMENT -
2 RATE ELEMENT SPECIFIC COSTS

Service Name: LightGate® 3 Service
Rate Element: Customer Channel Interface,
per DS3 (1PQEP)
Plan B
49 to 72 Months

14	TOTAL UNIT INVESTMENT	\$1,558.31
17	INVESTMENT RELATED UNIT CAPITAL COSTS	
18	Depreciation Expense	\$367.62
19	Cost of Money	\$129.13
20	Income Tax Expense	\$54.89
21	Total (LN18 + LN19 + LN20)	\$551.64
23	INVESTMENT RELATED UNIT OPERATING COSTS	
24	Maintenance Expense	\$9.62
25	Administrative Expense	\$57.38
26	Ad Valorem and Other Taxes	\$19.63
27	Total (LN24 + LN25 + LN26)	\$86.63
29	TOTAL INVESTMENT RELATED UNIT COSTS (LN21 + LN27)	\$638.27
31	NON-INVESTMENT RELATED UNIT COSTS	\$0.00
33	TOTAL UNIT ANNUAL COSTS (LN29 + LN31)	\$638.27
35	TOTAL UNIT MONTHLY COSTS (LN33/12)	\$53.19
41	RATIO OF UNIT MONTHLY COSTS TO INVESTMENT (LN35/LN14)	0.0341

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1 RECURRING UNIT COST DEVELOPMENT -
2 RATE ELEMENT SPECIFIC COSTS

Service Name: LightGate® 3 Service
Rate Element: Customer Channel Interface,
per DS3 (1PQEP)
Plan C
73 to 96 Months

14 TOTAL UNIT INVESTMENT \$1,558.31

17 INVESTMENT RELATED UNIT CAPITAL COSTS

18 Depreciation Expense \$346.58
19 Cost of Money \$127.68
20 Income Tax Expense \$54.24
21 Total (LN18 + LN19 + LN20) \$528.50

23 INVESTMENT RELATED UNIT OPERATING COSTS

24 Maintenance Expense \$9.62
25 Administrative Expense \$57.38
26 Ad Valorem and Other Taxes \$19.63
27 Total (LN24 + LN25 + LN26) \$86.63

29 TOTAL INVESTMENT RELATED UNIT COSTS (LN21 + LN27) \$615.13

31 NON-INVESTMENT RELATED UNIT COSTS \$0.00

33 TOTAL UNIT ANNUAL COSTS (LN29 + LN31) \$615.13

35 TOTAL UNIT MONTHLY COSTS (LN33/12) \$51.26

41 RATIO OF UNIT MONTHLY COSTS

42 TO INVESTMENT (LN35/LN14) 0.0329

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1 RECURRING UNIT COST DEVELOPMENT -
2 RATE ELEMENT SPECIFIC COSTS

Service Name: LightGate® 3 Service
Rate Element: Local Channel
Each Add'l Half Mile (1LPEA)
MTM and All CSPP Periods

14 TOTAL UNIT INVESTMENT \$9,785.68

17 INVESTMENT RELATED UNIT CAPITAL COSTS

18 Depreciation Expense \$487.08
19 Cost of Money \$1,021.21
20 Income Tax Expense \$453.00
21 Total (LN18 + LN19 + LN20) \$1,961.29

23 INVESTMENT RELATED UNIT OPERATING COSTS

24 Maintenance Expense \$82.19
25 Administrative Expense \$412.67
26 Ad Valorem and Other Taxes \$118.40
27 Total (LN24 + LN25 + LN26) \$613.26

29 TOTAL INVESTMENT RELATED UNIT COSTS (LN21 + LN27) \$2,574.55

31 NON-INVESTMENT RELATED UNIT COSTS \$0.00

33 TOTAL UNIT ANNUAL COSTS (LN29 + LN31) \$2,574.55

35 TOTAL UNIT MONTHLY COSTS (LN33/12) \$214.55

41 RATIO OF UNIT MONTHLY COSTS

42 TO INVESTMENT (LN35/LN14) 0.0219

BELLSOUTH TELECOMMUNICATIONS, INC.

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1 RECURRING UNIT COST DEVELOPMENT -
2 RATE ELEMENT SPECIFIC COSTS

Service Name: LightGate® 4 Service
Rate Element: Per System (HFSCN)
Month - to - Month

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14	TOTAL UNIT INVESTMENT	\$224,755.20
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17	INVESTMENT RELATED UNIT CAPITAL COSTS	
18	Depreciation Expense	\$61,414.50
19	Cost of Money	\$18,116.13
20	Income Tax Expense	\$7,878.92
21	Total (LN18 + LN19 + LN20)	\$67,409.55
22		
23	INVESTMENT RELATED UNIT OPERATING COSTS	
24	Maintenance Expense	\$2,631.33
25	Administrative Expense	\$8,256.43
26	Ad Valorem and Other Taxes	\$2,539.26
27	Total (LN24 + LN25 + LN26)	\$13,427.02
28		
29	TOTAL INVESTMENT RELATED UNIT COSTS (LN21 + LN27)	\$100,836.57
	NON-INVESTMENT RELATED UNIT COSTS	\$0.00
32		
33	TOTAL UNIT ANNUAL COSTS (LN29 + LN31)	\$100,836.57
34		
35	TOTAL UNIT MONTHLY COSTS (LN33/12)	\$8,403.05
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41	RATIO OF UNIT MONTHLY COSTS	
42	TO INVESTMENT (LN35/LN14)	0.0374
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1 RECURRING UNIT COST DEVELOPMENT -
2 RATE ELEMENT SPECIFIC COSTS

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Service Name: LightGate® 4 Service
Rate Element: Per System (HFSCJ)
Plan A
24 to 48 Months

14 TOTAL UNIT INVESTMENT	\$224,755.20
17 INVESTMENT RELATED UNIT CAPITAL COSTS	
18 Depreciation Expense	\$42,641.76
19 Cost of Money	\$18,594.91
20 Income Tax Expense	\$8,093.26
21 Total (LN18 + LN19 + LN20)	\$69,329.93
23 INVESTMENT RELATED UNIT OPERATING COSTS	
24 Maintenance Expense	\$2,631.33
25 Administrative Expense	\$8,256.43
26 Ad Valorem and Other Taxes	\$2,539.26
27 Total (LN24 + LN25 + LN26)	\$13,427.02
29 TOTAL INVESTMENT RELATED UNIT COSTS (LN21 + LN27)	\$82,756.95
NON-INVESTMENT RELATED UNIT COSTS	\$0.00
33 TOTAL UNIT ANNUAL COSTS (LN29 + LN31)	\$82,756.95
35 TOTAL UNIT MONTHLY COSTS (LN33/12)	\$6,896.41
41 RATIO OF UNIT MONTHLY COSTS 42 TO INVESTMENT (LN35/LN14)	0.0307

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1 RECURRING UNIT COST DEVELOPMENT -
2 RATE ELEMENT SPECIFIC COSTS

Service Name: LightGate® 4 Service
Rate Element: Per System (HFSCJ)
Plan B
49 to 72 Months

14 TOTAL UNIT INVESTMENT \$224,755.20

17 INVESTMENT RELATED UNIT CAPITAL COSTS

18 Depreciation Expense \$38,888.34
19 Cost of Money \$18,444.65
20 Income Tax Expense \$8,025.97
21 Total (LN18 + LN19 + LN20) \$65,358.96

23 INVESTMENT RELATED UNIT OPERATING COSTS

24 Maintenance Expense \$2,631.33
25 Administrative Expense \$8,256.43
26 Ad Valorem and Other Taxes \$2,539.26
27 Total (LN24 + LN25 + LN26) \$13,427.02

29 TOTAL INVESTMENT RELATED UNIT COSTS (LN21 + LN27) \$78,785.98

31 NON-INVESTMENT RELATED UNIT COSTS \$0.00

33 TOTAL UNIT ANNUAL COSTS (LN29 + LN31) \$78,785.98

35 TOTAL UNIT MONTHLY COSTS (LN33/12) \$6,565.50

41 RATIO OF UNIT MONTHLY COSTS

42 TO INVESTMENT (LN35/LN14) 0.0292

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1 RECURRING UNIT COST DEVELOPMENT -
2 RATE ELEMENT SPECIFIC COSTS

Service Name: LightGate® 4 Service
Rate Element: Per System (HFSCJ)
Plan C
73 to 96 Months

14	TOTAL UNIT INVESTMENT	\$224,755.20
17	INVESTMENT RELATED UNIT CAPITAL COSTS	
18	Depreciation Expense	\$37,280.53
19	Cost of Money	\$18,331.21
20	Income Tax Expense	\$7,975.04
21	Total (LN18+LN19+LN20)	\$63,586.78
23	INVESTMENT RELATED UNIT OPERATING COSTS	
24	Maintenance Expense	\$2,631.33
25	Administrative Expense	\$8,256.43
26	Ad Valorem and Other Taxes	\$2,539.26
27	Total (LN24+LN25+LN26)	\$13,427.02
29	TOTAL INVESTMENT RELATED UNIT COSTS (LN21+LN27)	\$77,013.80
31	NON-INVESTMENT RELATED UNIT COSTS	\$0.00
33	TOTAL UNIT ANNUAL COSTS (LN29+LN31)	\$77,013.80
35	TOTAL UNIT MONTHLY COSTS (LN33/12)	\$6,417.82
41	RATIO OF UNIT MONTHLY COSTS TO INVESTMENT (LN35/LN14)	0.0286

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1 RECURRING UNIT COST DEVELOPMENT -
2 RATE ELEMENT SPECIFIC COSTS

Service Name: LightGate® 4 Service
Rate Element: C O Channel Interface
per DS3 (1 PQEC)
Month-to-Month

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14 TOTAL UNIT INVESTMENT	\$1,220.68
17 INVESTMENT RELATED UNIT CAPITAL COSTS	
18 Depreciation Expense	\$192.38
19 Cost of Money	\$91.91
20 Income Tax Expense	\$40.55
21 Total (LN18 + LN19 + LN20)	\$324.64
23 INVESTMENT RELATED UNIT OPERATING COSTS	
24 Maintenance Expense	\$22.06
25 Administrative Expense	\$41.72
26 Ad Valorem and Other Taxes	\$16.03
27 Total (LN24 + LN25 + LN26)	\$79.81
29 TOTAL INVESTMENT RELATED UNIT COSTS (LN21 - LN27)	\$404.65
31 NON-INVESTMENT RELATED UNIT COSTS	\$0.00
33 TOTAL UNIT ANNUAL COSTS (LN29 + LN31)	\$404.65
35 TOTAL UNIT MONTHLY COSTS (LN33/12)	\$33.72
41 RATIO OF UNIT MONTHLY COSTS	
42 TO INVESTMENT (LN35/LN14)	0.0276

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1 RECURRING UNIT COST DEVELOPMENT -
2 RATE ELEMENT SPECIFIC COSTS

Service Name: LightGate® 4 Service

Rate Element: C.O. Channel Interface
per DS3 (1PQEC)
Plan A
24 to 48 Months

14	TOTAL UNIT INVESTMENT	\$1,220.68
17	INVESTMENT RELATED UNIT CAPITAL COSTS	
18	Depreciation Expense	\$157.94
19	Cost of Money	\$92.70
20	Income Tax Expense	\$40.90
21	Total (LN18 + LN19 + LN20)	\$291.54
23	INVESTMENT RELATED UNIT OPERATING COSTS	
24	Maintenance Expense	\$22.06
25	Administrative Expense	\$41.72
26	Ad Valorem and Other Taxes	\$16.03
27	Total (LN24 + LN25 + LN26)	\$79.81
29	TOTAL INVESTMENT RELATED UNIT COSTS (LN21 + LN27)	\$371.35
	NON-INVESTMENT RELATED UNIT COSTS	\$0.00
33	TOTAL UNIT ANNUAL COSTS (LN29 + LN31)	\$371.35
35	TOTAL UNIT MONTHLY COSTS (LN33/12)	\$30.95
41	RATIO OF UNIT MONTHLY COSTS	
42	TO INVESTMENT (LN35/LN14)	0.0254

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1 RECURRING UNIT COST DEVELOPMENT -
2 RATE ELEMENT SPECIFIC COSTS

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Service Name: LightGate® 4 Service
Rate Element: C.O. Channel Interface
per DS3 (1PQEC)
Plan B
49 to 72 Months

14 TOTAL UNIT INVESTMENT	\$1,220.68
17 INVESTMENT RELATED UNIT CAPITAL COSTS	
18 Depreciation Expense	\$151.05
19 Cost of Money	\$92.36
20 Income Tax Expense	\$40.75
21 Total (LN18 + LN19 + LN20)	\$284.16
23 INVESTMENT RELATED UNIT OPERATING COSTS	
24 Maintenance Expense	\$22.06
25 Administrative Expense	\$41.72
26 Ad Valorem and Other Taxes	\$16.03
27 Total (LN24 + LN25 + LN26)	\$79.81
29 TOTAL INVESTMENT RELATED UNIT COSTS (LN21 + LN27)	\$363.97
NON-INVESTMENT RELATED UNIT COSTS	\$0.00
33 TOTAL UNIT ANNUAL COSTS (LN29 + LN31)	\$363.97
35 TOTAL UNIT MONTHLY COSTS (LN33/12)	\$30.33
41 RATIO OF UNIT MONTHLY COSTS	
42 TO INVESTMENT (LN35/LN14)	0.0246

BELLSOUTH TELECOMMUNICATIONS, INC.

APPENDIX C
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1 RECURRING UNIT COST DEVELOPMENT -
2 RATE ELEMENT SPECIFIC COSTS

Service Name: LightGate® 4 Service
Rate Element: C.O. Channel Interface
per DS3 (1PQEC)
Plan C
73 to 96 Months

14 TOTAL UNIT INVESTMENT \$1,220.68

17 INVESTMENT RELATED UNIT CAPITAL COSTS

18 Depreciation Expense \$148.09
19 Cost of Money \$92.12
20 Income Tax Expense \$40.65
21 Total (LN18 + LN19 + LN20) \$280.86

23 INVESTMENT RELATED UNIT OPERATING COSTS

24 Maintenance Expense \$22.06
25 Administrative Expense \$41.72
26 Ad Valorem and Other Taxes \$16.03
27 Total (LN24 + LN25 + LN26) \$79.81

29 TOTAL INVESTMENT RELATED UNIT COSTS (LN21 + LN27) \$360.67

31 NON-INVESTMENT RELATED UNIT COSTS \$0.00

33 TOTAL UNIT ANNUAL COSTS (LN29 + LN31) \$360.67

35 TOTAL UNIT MONTHLY COSTS (LN33/12) \$30.06

41 RATIO OF UNIT MONTHLY COSTS

42 TO INVESTMENT (LN35/LN14) 0.0246

BELLSOUTH TELECOMMUNICATIONS, INC

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1 RECURRING UNIT COST DEVELOPMENT -
2 RATE ELEMENT SPECIFIC COSTS

Service Name: LightGate® 4 Service
Rate Element: C.O. per 28 DS1
Channel System (MQ3CO)
Month-to-Month

14 TOTAL UNIT INVESTMENT	\$13,378.06
17 INVESTMENT RELATED UNIT CAPITAL COSTS	
18 Depreciation Expense	\$1,583.06
19 Cost of Money	\$1,083.71
20 Income Tax Expense	\$478.96
21 Total (LN18 + LN19 + LN20)	\$3,145.73
23 INVESTMENT RELATED UNIT OPERATING COSTS	
24 Maintenance Expense	\$216.11
25 Administrative Expense	\$489.35
26 Ad Valorem and Other Taxes	\$166.96
27 Total (LN24 + LN25 + LN26)	\$852.41
29 TOTAL INVESTMENT RELATED UNIT COSTS (LN21 + LN27)	\$3,998.14
31 NON-INVESTMENT RELATED UNIT COSTS	\$0.00
33 TOTAL UNIT ANNUAL COSTS (LN29 + LN31)	\$3,998.14
35 TOTAL UNIT MONTHLY COSTS (LN33/12)	\$333.18
41 RATIO OF UNIT MONTHLY COSTS	
42 TO INVESTMENT (LN35/LN14)	0.0249

BELLSOUTH TELECOMMUNICATIONS, INC.

APPENDIX C
WORKPAPER 2D
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1 RECURRING UNIT COST DEVELOPMENT -
2 RATE ELEMENT SPECIFIC COSTS

Service Name: LightGate® 4 Service
Rate Element: C O. per 28 DS1
Channel System (MQ3COI)
Plan A
24 to 48 Months

14 TOTAL UNIT INVESTMENT \$13,378.06

17 INVESTMENT RELATED UNIT CAPITAL COSTS

18 Depreciation Expense \$1,548.62
19 Cost of Money \$1,084.50
20 Income Tax Expense \$479.31
21 Total (LN18 + LN19 + LN20) \$3,112.43

23 INVESTMENT RELATED UNIT OPERATING COSTS

24 Maintenance Expense \$216.11
25 Administrative Expense \$469.35
26 Ad Valorem and Other Taxes \$166.96
27 Total (LN24 + LN25 + LN26) \$852.41

29 TOTAL INVESTMENT RELATED UNIT COSTS (LN21 + LN27) \$3,964.84

31 NON-INVESTMENT RELATED UNIT COSTS \$0.00

33 TOTAL UNIT ANNUAL COSTS (LN29 + LN31) \$3,964.84

35 TOTAL UNIT MONTHLY COSTS (LN33/12) \$330.40

41 RATIO OF UNIT MONTHLY COSTS

42 TO INVESTMENT (LN35/LN14) 0.0247

BELLSOUTH TELECOMMUNICATIONS, INC.

APPENDIX C
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1 RECURRING UNIT COST DEVELOPMENT -
2 RATE ELEMENT SPECIFIC COSTS

Service Name: LightGate® 4 Service
Rate Element: C.O. per 28 DS1
Channel System (MQ3CO)
Plan B
49 to 72 Months

14 TOTAL UNIT INVESTMENT \$13,378.06

17 INVESTMENT RELATED UNIT CAPITAL COSTS

18 Depreciation Expense \$1,541.73
19 Cost of Money \$1,084.16
20 Income Tax Expense \$479.16
21 Total (LN18 + LN19 + LN20) \$3,105.05

23 INVESTMENT RELATED UNIT OPERATING COSTS

24 Maintenance Expense \$216.11
25 Administrative Expense \$469.35
26 Ad Valorem and Other Taxes \$166.96
27 Total (LN24 + LN25 + LN26) \$852.41

29 TOTAL INVESTMENT RELATED UNIT COSTS (LN21 + LN27) \$3,957.46

NON-INVESTMENT RELATED UNIT COSTS \$0.00

33 TOTAL UNIT ANNUAL COSTS (LN29 + LN31) \$3,957.46

35 TOTAL UNIT MONTHLY COSTS (LN33/12) \$329.79

41 RATIO OF UNIT MONTHLY COSTS

42 TO INVESTMENT (LN35/LN14) 0.0247

BELLSOUTH TELECOMMUNICATIONS, INC

APPENDIX C
WORKPAPER 2D
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1 RECURRING UNIT COST DEVELOPMENT -
2 RATE ELEMENT SPECIFIC COSTS

Service Name: LightGate® 4 Service
Rate Element: C O per 28 DS1
Channel System (MQ3CO)
Plan C
73 to 96 Months

14	TOTAL UNIT INVESTMENT	\$13,378.06
17	INVESTMENT RELATED UNIT CAPITAL COSTS	
18	Depreciation Expense	\$1,538.77
19	Cost of Money	\$1,083.92
20	Income Tax Expense	\$479.06
21	Total (LN18+LN19+LN20)	\$3,101.75
23	INVESTMENT RELATED UNIT OPERATING COSTS	
24	Maintenance Expense	\$216.11
25	Administrative Expense	\$469.35
26	Ad Valorem and Other Taxes	\$166.96
27	Total (LN24+LN25+LN26)	\$852.41
29	TOTAL INVESTMENT RELATED UNIT COSTS (LN21+LN27)	\$3,954.16
31	NON-INVESTMENT RELATED UNIT COSTS	\$0.00
33	TOTAL UNIT ANNUAL COSTS (LN29+LN31)	\$3,954.16
35	TOTAL UNIT MONTHLY COSTS (LN33/12)	\$329.51
41	RATIO OF UNIT MONTHLY COSTS TO INVESTMENT (LN35/LN14)	0.0246

BELLSOUTH TELECOMMUNICATIONS, INC.

APPENDIX C
WORKPAPER 2D
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1 RECURRING UNIT COST DEVELOPMENT -
2 RATE ELEMENT SPECIFIC COSTS

Service Name: LightGate® 4 Service
Rate Element: C.O. Channel Interface,
per DS1 (1PQE1)
MTM and All CSPP Periods

14	TOTAL UNIT INVESTMENT	\$162.43
17	INVESTMENT RELATED UNIT CAPITAL COSTS	
18	Depreciation Expense	\$18.55
19	Cost of Money	\$13.26
20	Income Tax Expense	\$5.86
21	Total (LN18+LN19+LN20)	\$37.67
23	INVESTMENT RELATED UNIT OPERATING COSTS	
24	Maintenance Expense	\$2.69
25	Administrative Expense	\$5.72
26	Ad Valorem and Other Taxes	\$2.02
27	Total (LN24+LN25+LN26)	\$10.43
29	TOTAL INVESTMENT RELATED UNIT COSTS (LN21+LN27) ..	\$48.10
31	NON-INVESTMENT RELATED UNIT COSTS	\$0.00
33	TOTAL UNIT ANNUAL COSTS (LN29+LN31).....	\$48.10
35	TOTAL UNIT MONTHLY COSTS (LN33/12).....	\$4.01
41	RATIO OF UNIT MONTHLY COSTS	
42	TO INVESTMENT (LN35/LN14).....	0.0247

BELLSOUTH TELECOMMUNICATIONS, INC.

APPENDIX C
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1 RECURRING UNIT COST DEVELOPMENT -
2 RATE ELEMENT SPECIFIC COSTS

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Service Name: LightGate® 4 Service
Rate Element: Customer Channel Interface,
per DS3 (1PQEP)
Month-to-Month

14 TOTAL UNIT INVESTMENT	\$1,346.78
17 INVESTMENT RELATED UNIT CAPITAL COSTS	
18 Depreciation Expense	\$573.51
19 Cost of Money	\$123.86
20 Income Tax Expense	\$65.42
21 Total (LN18 + LN19 + LN20)	\$762.79
23 INVESTMENT RELATED UNIT OPERATING COSTS	
24 Maintenance Expense	\$100.96
25 Administrative Expense	\$66.26
26 Ad Valorem and Other Taxes	\$36.56
27 Total (LN24 + LN25 + LN26)	\$203.78
29 TOTAL INVESTMENT RELATED UNIT COSTS (LN21 + LN27)	\$966.57
NON-INVESTMENT RELATED UNIT COSTS	\$0.00
33 TOTAL UNIT ANNUAL COSTS (LN29 + LN31)	\$966.57
35 TOTAL UNIT MONTHLY COSTS (LN33/12)	\$80.55
41 RATIO OF UNIT MONTHLY COSTS 42 TO INVESTMENT (LN35/LN14)	0.0598